

## Agenda Item 6

Report to: **Scrutiny Committee for Audit and Best Value**

Date: **2 March 2010**

By: **Director of Law and Personnel**

Title of report: **Reconciling Policy and Resources – feedback to scrutiny**

Purpose of report: **To provide feedback on the outcomes of scrutiny input into the Reconciling Policy and Resources (RPR) process in 2009/10.**

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### **RECOMMENDATIONS:**

**The Committee is recommended to:**

- (1) Review its input into the 2009/10 Reconciling Policy and Resources process to establish whether there are lessons for improvement for the process next year; and**
  - (2) Review the commentary on the specific input of this committee into the RPR process.**
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### **1. Financial Appraisal**

1.1 There are no specific financial implications associated with this report.

### **2. Reconciling Policy and Resources (RPR) and scrutiny in East Sussex**

2.1 Reconciling Policy and Resources (ie. aligning the Council's budget setting process with service delivery plans) is firmly established as an effective and transparent business planning process in East Sussex. The 2009/10 round began with the *State of the County* report to Cabinet in July 2009.

2.2 In September 2009 each scrutiny committee considered extracts from the *State of the County* report and made comments to Lead Members on the relevant policy steers and their contribution to the objectives of the whole Council (the County Council Promise) prior to consideration by County Council.

2.3 All scrutiny committees established a scrutiny board to act on their behalf and provide a detailed input into the RPR process. These met in December 2009/January 2010 to consider detailed budget plans and the emerging savings strategy. In particular the scrutiny boards:

- considered whether the amended policy steers were reflected satisfactorily within the proposed key areas of budget spending for 2010/11;
- considered whether all possible efficiencies had been identified; and
- assessed the potential impact of any savings proposals on services provided to County Council customers.

2.4 This report provides feedback on how scrutiny comments and recommendations have been dealt with by Cabinet and County Council. Its aims are to assist scrutiny to become more effective in future RPR rounds and to enable consideration of the specific commentary relating to each committee.

2.5 Appendix 1 to this report summarises the comments and recommendations made by all the scrutiny committees and boards during the stages outlined above, and the responses by the Cabinet and Council. In addition to making specific recommendations, scrutiny sought and was given assurances, on a range of related matters.

2.6 Each scrutiny committee is requested to focus on the section related to its own remit. The table includes sections for all the scrutiny committees to enable members to compare approaches and help to improve the process in future years.

### **3. Conclusion and Reason for Recommendation**

3.1 The Committee is recommended to review its input into the 2009/10 Reconciling Policy and Resources process and in particular to establish whether there are lessons for improvement for the future.

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Director of Law and Personnel

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Local Members: All

#### Background Documents

None

**Overview and Scrutiny Reconciling Policy and Resources (RPR) boards 2009/10**

Summary of the outcomes, observations and findings of the scrutiny RPR Boards held in December 2009 and January 2010.

| <b>Scrutiny Committee/RPR Board membership</b>   | <b>Notes/key outcomes</b>  | <b>Responses to recommendations and requests for assurances</b>   |
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| <p><b>Adult Social Care</b><br/>Councillors Waite (Chairman), Belsey, Healy, Mrs Tidy and Webb (substituting for Councillor Scott)</p> | <p><u>RPR board on 17 December 2009</u></p> <p>1) In response to questions and comments the Board were informed that:</p> <ol style="list-style-type: none"> <li>1. Substantial increases in the numbers of people requiring a service in the future would mean that efficiency savings alone could not meet the gap in funding. Significant changes to the way in which services are provided will be needed. The department faces two future options: a) change the eligibility criteria, which would mean that some people who are currently eligible would no longer get a service, or b) retain the current eligibility criteria but provide 'smaller' packages of care to all service users. The preferred option is b), which is seen as carrying the least risk.</li> <li>2. A shift in resources from working-age adults to older people services is vital to meet forecasted demand for services. High cost placements for working-age adults would need to be procured more cheaply and, if necessary, re-commissioned from a different provider.</li> <li>3. Joint commissioning with health and closer working with districts and boroughs on housing for vulnerable people would be vital for achieving efficiency savings in the future, particularly on reducing management costs.</li> <li>4. 'Reablement' services are key in helping cut admissions to hospital, reducing the need for residential care and reducing the demand for ongoing support services; these services will therefore need to expand in the future. Joint work with Health on promoting such services to hospitals and GPs is required to ensure suitable people are targeted.</li> </ol> | <p>Option b) was agreed by County Council.</p> <p>The shift in investment was agreed by County Council.</p> <p>Scrutiny Committee will be updated on developments with joint commissioning.</p> <p>Scrutiny Committee will be updated on developments with 'reablement' services.</p> |

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|  | <p>5. There are no high impact risks associated with any of the proposed efficiency savings as services are not being removed. However, services would have to be provided differently or at a reduced level to meet the necessary efficiency savings.</p> <p>2) The Board requested that:</p> <p>a) a report on Social Capital be brought to the March 2010 Scrutiny Committee meeting; and</p> <p>b) outcomes of the service reviews be brought to the Scrutiny Committee in due course.</p> <p>3) The Board acknowledged the potential increased pressures upon Adult Social Care as a result of two recent developments. Possible legislation to direct the provision of free personal care to all (for up to 18 hours) would result in an additional financial burden for the Department of at least £2.5m. Secondly, a government reduction in funding for residential care is also likely to lead to a further £2.5m reduction in funding for the Department.</p> <p>4) The Board understood the rationalisation behind the savings to be made for 2010/11 but expressed concern about future developing risks facing the department. Members requested that they were kept informed as future developments unfolded.</p> | <p>Reports will be made to Scrutiny Committee.</p> <p>Scrutiny Committee will be updated on all developments.</p> <p>Developing risks will be reported to Scrutiny Committee.</p> |
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| <p><b>Audit &amp; Best Value</b></p> <p>Councillors Sparks (Chairman), Birch and Ensor</p> | <p><u>RPR Board on 5 January 2010</u></p> <p>The Board considered:</p> <ol style="list-style-type: none"> <li>1. That whilst significant savings have been made over the last few years in Chief Executive's and CRD, these have primarily been achieved by 'salami slicing' budgets because of the very limited scope to cut entire activities within these departments.</li> <li>2. That the plans and budgets for 2010/11 seemed stable, and the proposed savings carried acceptably low impacts on services. However the extremely difficult challenges likely to be faced across the Council during the following three years means that there is a need to identify opportunities for savings and efficiencies in the coming year to minimise the longer term</li> </ol> |  |
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|  | <p>negative impacts.</p> <ol style="list-style-type: none"> <li>3. In respect of Policy Steer Performance Measure 1.1 a) (<i>Supporting continued regeneration work in Hastings through the Task Force, Hastings and Bexhill Renaissance Limited and the development of the Bexhill–Hastings Link Road</i>) the Board expects to see greater clarity in the final wording of the targets for this performance measure to reflect the future regeneration of Hastings including options for Hastings and Bexhill Renaissance Limited.</li> <li>4. Good progress has been made in addressing problems previously highlighted by Audit and Best Value Scrutiny Committee with staff appraisals and sickness absence, particularly in reducing long term sickness absence levels.</li> <li>5. In respect of Policy Steer 1.6 f) – <i>Improved public awareness of, and access to, decision-making processes</i>: the Board considers that ‘Webcast usage’ is not a good indicator when measuring public access to decision making processes, and proposes that a wider perspective be taken using, for example, residents’ surveys and the Citizens Panel.</li> <li>6. A scrutiny review board would shortly be examining any links between compensation claim levels and highways maintenance.</li> <li>7. Property Management improvements have been put in place.</li> <li>8. In respect of the impact of any savings plans on the internal audit service, particularly given the potential increase in risks the authority would face over the medium term, the Board was assured that that whilst all support services would need to respond to the 10% savings challenge set by Cabinet including the internal audit service, the Director would aim to ensure Internal Audit retained adequate capacity to meet satisfactory coverage in the light of the current and changing risk profile. But, he would need to explore all potential opportunities; such as sharing specialist resources and maximising productivity, to help achieve that aim.</li> </ol> | <p>5. Questions have been included regularly on the Citizen’s Panel survey since 2004. The answers show that there is a need for greater publicity around decisions that are made and how that is done. The webcast is only one of many ways that this can be done. More in depth questions have been programmed for the survey to be issued in July this year so that we can explore in detail the type of information our residents want to see and hear. Work continues to strengthen involvement in local democracy and the Council are currently working with the District and Boroughs to set up a county-wide e-petitioning system hosted by East Sussex.</p> |
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| <p><b>Children's Services</b></p> <p>Councillors Ensor (Chairman), Field, Ost and Webb.</p> <p>Parent Governor representative – Sam Gregory</p> | <p><u>RPR board on 14 December 2009</u></p> <p>1. The Board acknowledged the increased pressures upon Children's Services due to the increasing costs of home to school transport and the affects of the 'Baby P' case, which had resulted in increased numbers of children with child protection plans, increased court costs for care proceedings and increased numbers of children in care.</p> <p>2. In response to questions and comments the Board were informed that:</p> <ul style="list-style-type: none"> <li>• The current overspend on home to school transport would not be ongoing. A review of the use of taxi journeys had recently been carried out and overuse of single journeys would be reduced through re-procurement of services.</li> <li>• The 2010/11 Looked After Children pressures was an estimated figure based on the numbers of children still going through the system and could be subject to change.</li> <li>• The number of qualified social worker posts in the department had been increased to around 175 (from 150) with the additional resources. However, there were still approximately 30-35 vacancies at present. The Department is seeking to fill these vacancies by April 2010 through a recruitment campaign in Canada and Australia. Staff are being recruited through an agency initially and would then become permanent Council employees.</li> <li>• Current grants for Early Years provision and other direct government grants are only guaranteed until April 2011 and there is a likelihood that they will reduce after then.</li> <li>• The distribution of the 'Headroom' funding will be agreed by the Schools Forum on 20 January 2010. Initial work with the Sub Group had gained support for the suggested areas of funding and the department was confident that the Forum would endorse these.</li> <li>• The Human Resource strategy changes will be carefully managed. Operations managers would make the final decision on any changes to working arrangements to ensure that they did not impact on the delivery of services.</li> </ul> <p>3. The Board endorsed the approach taken by the department of prioritising safeguarding/child protection and the prudent channelling of grant funding</p> | <p>Cabinet agreed £450,000 additional base funding and a further £450,000 one-off funding for 2010/11 for 'Baby P' pressures.</p> <p>Actions taken over the previous three months (to end of January) have reduced the forecast overspend in 2009/10 by some £0.25m. Further reductions are anticipated by the end of the year.</p> <p>The estimated LAC pressures has not been revised at the moment but will be closely monitored and reviewed as necessary.</p> <p>11 social workers have been recruited from Canada with a planned start in the Spring. Video interviews will take place during February with Australian candidates.</p> <p>The Schools Forum agreed the distribution of funding from headroom. This includes £0.75m to maintain existing Exclusion and Reintegration and Behaviour Support Services with an additional £0.5m for behaviour support in its widest sense.</p> |
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|  | <p>streams, flexible use of schools budget funding and targeted service reductions.</p> <p>4. The Board requested that an update on the value for money reviews be reported to the Children's Services Scrutiny Committee meeting in September 2010.</p> | <p>A programme of reviews has been established which runs from January to November 2010. A progress report will be submitted to CS Scrutiny Committee in September 2010.</p> |
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| <p><b>Community Services</b></p> <p>Councillors Taylor (Chairman), Howson, Shing and Pragnell</p> | <p><u>RPR board on 11 December 2009:</u></p> <p>The Board was reassured that:</p> <ol style="list-style-type: none"> <li>1. Front-line services are being protected and back office efficiencies will be maximised.</li> <li>2. New staff structures will have a positive impact on savings over the next four years. A reduction in legal staff will not increase risks to the legal service and it will remain robust and sufficient.</li> <li>3. Savings within ICT will be met by reducing the number of different software packages and systems, and introducing a 'pay as you use model' of ICT systems to reduce service level support costs.</li> </ol> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. Recognised the difficult financial situation and choices ahead and endorsed the savings for 2010/11 proposed and the review of priority services.</li> <li>2. Requested that through the planned services reviews the Committee is</li> </ol> | <p>3. The 'pay as you use model' (where a user only pays for what they log into and for the length of time it is used) Will move away from standard set charges for all staff regardless of usage and moves away from individual license charges. Other support costs will be removed by consolidation of the server and application estates. All avenues of shared services working with other partners will be actively worked on.</p> <p>2. Noted</p> |
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|  | <p>advised of any major changes in strategy and/or services that may be required given the financial constraints ahead and is advised of anything that cannot be achieved.</p> <p>3. Reiterated the request of the November 2009 Scrutiny Committee that adequate funding for the Local Life Show event should continue.</p> | <p>3. At the budget meeting of the County Council, no additional funding was provided for future Local Life shows.</p> |
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| <p><b>Transport &amp; Environment</b></p> <p>Councillors Stogdon (Chairman) and Freeman</p> | <p><u>RPR Board on 8 December 2009</u></p> <p><u>Road Safety</u></p> <p>Scrutiny's observations and recommendations on road safety focus on the quality, clarity and interpretation of the supporting evidence behind the proposed courses of action:</p> <ul style="list-style-type: none"> <li>• The list of solutions highlighted in both the commentary to the 'red' KSI indicators in the performance management report and under the 'future services' section of the RPR papers provides an extensive list of actions to improve road safety. However, evidence provided to the Road Safety Scrutiny Review Board, as to which are the best and most cost effective options to pursue, is sketchy, incomplete and not wholly persuasive.</li> <li>• The "What we will do" list, as presented, implies an already agreed strategy. However, the Board recommends that this list ought to be regarded as a list of <i>possible</i> initiatives from which the choice of action would eventually be supported by the consolidation of available evidence. Whilst the newly formed Casualty Reduction Board will decide upon the action components of the eventual strategy, the scrutiny Board is seeking assurance that the choice of actions will be based on clearly-expressed evidence not least because the stringent financial situation is likely to prevent every possible initiative on the list being undertaken.</li> <li>• Until now, the approximate £3m capital budget for integrated transport and road safety has been split roughly in proportion, two thirds for integrated transport schemes and one third for road safety schemes. Combining these elements into one budget and abolishing the LATS (Local Area Transport Strategies) process will require very careful thought to be given to the revised set of criteria used to prioritise transport schemes in future. A programme for consulting relevant</li> </ul> | <p>Scrutiny Board Members were reassured that all of the documentation before them was in draft form and would be developed further into the departmental Portfolio Plan over the coming weeks. This included the list of solutions which were all shown as potential initiatives that have been known to be effective elsewhere in the country. That does not automatically mean that they are right for East Sussex. The newly formed Casualty Reduction Steering Group will consider these and other initiatives and prioritise based on both evidence and availability of resources. The process for aligning consideration of programmes is still to be developed.</p> <p>The budgets for integrated transport and road safety will remain separate for 2010/11 as the programmes are already agreed and this is the final year of the current settlement which gives any certainty of funding. Beyond that new</p> |
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stakeholders, including scrutiny and Members, will be required. The Board considers that greater emphasis on road safety measures would be required in any future combined budget.

- Given that the Casualty Reduction Board has been tasked with deciding which initiatives to pursue to address road safety, the funding for any emerging initiatives will presumably be reconciled with a combined capital budget. It is not clear to the Board how these two prioritisation processes would operate alongside each other.
- 'Operation Crackdown' is proposed as an efficiency saving based on an assumption that the scheme for which the funding is to be withdrawn is associated solely with the public reporting of abandoned vehicles. However, the scheme was extended in 2008 to include public reporting of *antisocial driving*. Preliminary indications, reported by the police to the Scrutiny Committee Chairman, are that the anti-social driving element is effective. The Board considered that Operation Crackdown may turn out to be very a cost effective method of improving road safety in comparison to other road safety initiatives. It recommended that any decision to cut funding should be dependant on a careful analysis of the comparative evidence by both scrutiny and the Casualty Reduction Board.

#### Highways Maintenance

- The proposed move towards planned, rather than reactive, maintenance is endorsed.
- The current highways maintenance contract expires in 2012 which provides an opportunity to consider different options for the future strategy for highways maintenance - various models will be assessed. Scrutiny Members wish to be kept abreast of the arguments and options surrounding this critical decision.

#### Climate Change

- The September Transport and Environment Scrutiny Committee queried whether the target reduction of 75,000 tonnes (NI 186) per capita emissions over three years was sufficiently challenging; the same target reappears in the current documentation and should be reviewed again.

processes will need to be developed to identify and give criteria for scheme selection and the potential for managing partnership budgets.

Operation crackdown – There has been some confusion over the various elements of this initiative and officers are meeting with Sussex Police to explore the benefits of Operation Crackdown and to understand the implications of our proposal to withdraw £12k of funding.

The concern expressed at the September Transport and Environment Scrutiny Committee was focused on the County Council targets for reducing CO2 emissions and whether these were

General

- The Board considered, both from its recent experience in committee as well as evidence supplied to this RPR Board, that some parts of the department urgently need to adopt a more business-like approach towards meeting policy steer objectives whilst dealing with the scale and nature of the serious financial challenges ahead.

challenging enough. At the time it was explained that these were in line with overall Government targets of a reduction of 3% per annum, but it was acknowledged that the County Council would almost certainly exceed these. The target of 75,000 tonnes is not a per capita target and is a target for reductions across the county as whole. Again, its is founded on the overall Government target for CO2 emissions and represents that part of the reduction which can be achieved by local as opposed to national initiatives. Our own targets will now develop with a more robust basis as initiatives and what they will achieve will be aligned to the action plans underpinning the Climate Change Strategy.

The department considers that it has approached the process and scale of challenge professionally and rigorously and has a detailed and achievable Medium Term Financial and Business Plan which focuses on the core priorities and objectives including for example improving road condition, focusing on KSI's and new initiatives designed to invigorate the establishment of community transport schemes on a community led basis.

The department has also received considerable recognition from Chief Officers and Cabinet Members on the quality of the paperwork to support the

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|  | <ul style="list-style-type: none"> <li>• It stressed the need for the department to be clear and realistic about its plans for the future and to keep such plans distinct, when communicating with Members and the public, from the plethora of aspirational but probably unrealistic ideas reverberating through the department currently. The Board noted the following list by the Director when asked to provide his key realistic, ongoing current initiatives for the Department: <ul style="list-style-type: none"> <li>(a) Bexhill/Hastings Link Road – regarded as the number one priority.</li> <li>(b) Rail Utilisation Strategies - lobbying as an efficient way to influence the rail infrastructure.</li> <li>(c) Eastbourne/Hailsham Triangle – developing a planning framework to bring this about.</li> <li>(d) South Wealden Transport Strategy (A27 and A22) – a facilitating role, evidence gathering to support the LDFs.</li> <li>(e) Uckfield Master Plan - the planning process for this is well advanced.</li> <li>(f) LTP3 – demonstrating needs and costs.</li> </ul> </li> <li>• The Board has a number of concerns as to the cost implications of these aspirations, particularly in relation to items (b) to (e) and whether there is a sufficiently focussed awareness within the department generally in regard to costing all aspects of its activity.</li> </ul> <p><u>Waste and minerals</u></p> <ul style="list-style-type: none"> <li>• The Board expressed concerns about the way in which the Waste and Minerals Strategy has been presented for consultation and believe considerable benefits could have been derived by the plan having been reviewed in detail by Scrutiny prior to public consultation.</li> </ul> | <p>RP&amp;R process this year.</p> <p>We would welcome additional clarity from Members about priorities for strategic and aspirational projects around the county and we need to strike a balance between ambition and what is affordable / value for money and economically viable. The list as stated are some areas that are either priorities established by the administration or working to meet policy steers.</p> <p>We would always welcome input to improve consultation particularly on issues of such strategic importance. Where possible future consultations will be shared with Scrutiny before being finalized to give Scrutiny the opportunity to comment</p> |
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